

March 3, 1999

Democrats Resurrect 'Medi-scare' Tactics

Yesterday on the Senate Floor, Democrats began an attempt to reprise their "Medi-scare" campaign from 1995. And this new demagogic attempt is even more preposterous than their earlier attempts. Democrats now allege that the tax cut sought by Republicans will result in Medicare "cuts" because Republicans have not endorsed Clinton's general revenue transfer to the Medicare trust fund. Bear in mind that this is a *phony* transfer his own budget does not even attempt to make and would only result in IOUs if it did!

You heard right: Because Republicans want to save Social Security and support returning some of the remaining surplus to the taxpayers who paid it, Democrats claim this will impact Medicare.

Not only is this Democrat charge an outright lie, it hides the fact that *Clinton proposes Medicare cuts in his budget* and is undermining the Bipartisan Medicare Commission, which is working to reform the program.

Here are the facts:

- ❑ The President, not Republicans, wants to cut Medicare.
 - ☞ President Clinton's budget proposes Medicare cuts of \$9 billion over the next five years to pay for his new spending programs.
 - ☞ Hospital payments would be frozen as early as next year.
- ❑ Clinton isn't serious about Medicare reform— if he was, he would not have undercut the bipartisan Medicare Commission that he agreed to in 1997.
 - ☞ Just one month before the Commission was to report, Clinton proposed adding new programs— new prescription drug benefits and new beneficiaries — to the Medicare program without any new funds to pay for these costly programs.
 - ☞ His appointees are now thwarting a bipartisan solution to save Medicare by insisting on new benefits before they will allow the needed reforms.

- Clinton promised \$700 billion in new money for Medicare, but his budget provides no additional funds.
 - ☞ His rhetoric amounts to a phony “feel-good” ploy. The President knows this kind of transfer is phony. His own budget does not make the transfer.
 - ☞ And even if it did, all Clinton would give Medicare is more IOUs — not a real solution. This ploy provides no real reform.
 - ☞ In fact, Clinton’s solution would put Medicare on the path to becoming a welfare program.
- Republicans’ record in support of Medicare is clear.
 - ☞ Republicans have never proposed cutting Medicare. Our plan allowed Medicare to grow at twice the rate of inflation — just as Clinton himself proposed in 1993.
 - ☞ Republicans’ balanced budget bill in 1997 reformed Medicare and extended its solvency for a decade.
 - ☞ The current bipartisan Medicare Commission— which Clinton and his appointees are now thwarting — is looking at a variety of long-term solutions for Medicare and is the best hope for Medicare reform.
- A Republican tax cut will have no effect on Medicare, or any other existing spending program.
 - ☞ Medicare is not funded by general revenues, but by dedicated payroll taxes.
 - ☞ Tax cuts from a surplus budget have no impact on Medicare or *any* existing spending programs.

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